Message Text

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TO SECSTATE WASHDC 6554

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E.O. 11652: N/A TAGS: BEXP, IR

SUBJECT: FY 1974 COUNTRY COMMERCIAL PROGRAM (CCP)

REF: A. STATE 101987 B. TEHRAN 1248

1. FOLLOWING OVERALL EVALUATION IRAN CCP WILL FOLLOW POINTS OUTLINED STANFORD LETTER, HOWEVER, BECAUSE EXTENDED DELAY IN WASHINGTON APPROVAL OF PROGRAM (FINAL FULL AND DETAILED VERSION ONLY RECEIVED AT POST LATE MARCH), EMBASSY PROCEEDED DURING YEAR AS IF PROGRAM, OBJECTIVES, TARGETS AND CRITERIA GENERALLY IN EFFECT BUT WITHOUT EXERCISING FORMAL EVALUATIONS, REVIEWS OR ADJUSTMENTS. LATTER WERE EFFECTED IN LIGHT SUDDEN DEVELOPMENTS IN IRANIAN MARKET AND ANNOUNCEMENT NEW MAJOR PROGRAMS BY GOI. COMMERCIAL AND ECONOMIC OPERATIONS IN EMBASSY PROCEEDED WITH REASONABLE SMOOTHNESS DESPITE CHANGES AND SUFFERED NO MAJOR DISRUPTION OR SETBACK; EFFECTIVENESS COULD HAVE BEEN INCREASED HAD FULL STAFFING (PRESENCE OF A FULL TIME MARKET RESEARCH OFFICER AND RETURN OF TWO COMMERCIAL POSITIONS FROM TRADE CENTER) BEEN POSSIBLE.

2. NO MAJOR PROBLEMS COORDINATION EXPERIENCED DURING FY '74 CCP PERIOD UNDER REVIEW. UNDER LEADERSHIP AMBASSADOR, DAILY REVIEW OF MAJOR TRADE, INVESTMENT PROJECTS AND PROBLEMS EFFECTED AT STAFF MEETING WITH ECON/COMML COUNSELOR, COMMLATT, DIRECTOR USIS AND OTHER SENIOR MEMBERS EMBASSY STAFF. ALSO, WEEKLY COUNTRY TEAM MEETING INCLUDING SENIOR STAFF, UNCLASSIFIED

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DIRECTOR TRADE CENTER, MEMBERS MILITARY MISSION,

TECHNICAL ATTACHES, OTHER AGENCIES REPRESENTATIVES SUBSTANTIALLY DEVOTED DISCUSSION COMMERCIAL AND ECONOMIC PROBLEMS.

3. PROGRAMMED TARGETS WERE PROVEN VALID AND WILL CONTINUE AS SUCH DURING FY '75. HOWEVER, LARGE INCREASE IN COUNTRY'S RESOURCES AND GOI SENSE OF URGENCY IN PUSH-ING DEVELOPMENT ON ALL FRONTS RESULTED IN SUDDEN EMER-GENCE NEW PRIORITIES AND AT LEAST ONE MAJOR PROJECT REQUIRING IMMEDIATE ATTENTION AND CONCENTRATION EMBASSY EFFORTS IN THOSE AREAS. (GOI HAS ANNOUNCED PETROCHEMICALS, IRON AND STEEL AND ELECTRONICS AT TOP THREE PRIORITIES IN INDUSTRIAL DEVELOPMENT; IN ALL THREE FIELDS US FIRMS HAVE SCORED WELL. ALSO, BEGINNING WITH PROCURE-MENT \$46 MILLION WORTH OF ROAD TRANSPORT EQUIPMENT -WHICH SOLD BY US SUPPLIER - COUNTRY BEGINNING CRASH PROGRAM TO CONSTRUCT NEW TRANSPORTATION SYSTEM. IMMEDIATE NEW TARGET WILL BE SALE SOME \$75 MILLION ADDITIONAL EQUIPMENT AND FOLLOWED BY MAJOR ROAD CONSTRUCTION PROGRAM.) EMBASSY ALSO MASSIVELY INVOLVED OTHER TARGET PROJECTS. MAJOR EFFORTS EXERTED BEHALF US FIRMS TAMS BIDDING FOR A&E STUDY TEHRAN INTERNATIONAL AIRPORT. HELP INCLUDED ARRANGEMENTS AND DETAILED PLANNING FOR GOI CIVIL AIR OFFICIALS TO VISIT US AND PORTUGAL TO INSPECT FIRST-HAND AMERICAN AIRPORT ENGINEERING TECHNIQUE. ASSISTANCE ALL TYPES EXTENDED TO DUPONT IN CONNECTION WITH ITS INVOLVE-MENT IN SYNTHETIC FIBER PLANT IN IRAN; SWIDDELL DRESSLER IN SECURITY CONTRACT TO BUILD DIRECT-REDUCTION STEEL MILL; INTERNATIONAL HARVESTER IN JOINT VENTURE TO MANUFACTURE TRUCKS; AMERICAN MOTORS AND CONTINENTAL BANK OF ILLINOIS IN ESTABLISHMENT CONSUMER CREDIT BANK, IN LATTER CASE PROMPT ACTIONS BY EMBASSY, EXIMBANK AND USDOC FORESTALLED ENTRY INTO PICTURE OF BRITISH BANK WHICH STRONGLY BACKED BY BRITISH GOVERNMENT. ESTIMATED PAYOFF IN CONTRACTS, EQUIPMENT SALES AND LIKE OF PROJECTS MENTIONED SOME \$1 BILLION.

4. MISSION PROGRAM, ORIGINALLY OUTLINED IN CONSIDERATION OF REALITIES OF POST AND EXPECTED DEMANDS ON RESOURCES, BUT, SUDDEN INCREASE IN ACTIVITY PREVIOUSLY DESCRIBED UNCLASSIFIED

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AND SUBSTANTIAL INCREASE IN NUMBER VISITORS ON ONE HAND AND STAFFING SHORTFALL (TO SOME EXTENT TRADE CENTER MANAGED TO HELP BRIDGE GAP BY CONTRACTING A RESEARCH SPECIALIST) ON OTHER DID NOT PERMIT FULL ATTENTION TO CCP TARGETS AND CAMPAIGNS. MARKET RESEARCH, TRAVEL AND VISITS TO UNCOVER AND DEVELOP TRADE OPPORTUNITIES WERE FIRST TO SUFFER.

5. EXPERIENCE AND DATA BEING COLLECTED FOR FUTURE EVALUATIONS PRIMARILY BY MEANS RECORDING NUMBERS VISITORS, NUMBER OUTSIDE VISITS WASHINGTON DEMANDS FOR COMMERCIAL INTELLIGENCE AND OTHER SERVICES. ESPECIALLY USEFUL WAS EXERCISE IN DEVELOPING COST DATA FOR VARIOUS FUNCTIONS AND SERVICES PERFORMED BY MISSION (RF B).

6. AT POLICY LEVEL AMBASSADOR AND DCM EVALUATED AND CONTROLLED COMMERCIAL AND ECONOMIC WORK ON DAILY BASIS. AT OPERATIONAL LEVEL ECONCOMML COUNSELOR ON BROAD BASIS MANAGED AND SUPERVISED EVERY ASPECT OF WORK INCLUDING THAT OF TRADE CENTER AND AGATT. LIAISON WITH ALL ELEMENTS OF MISSION WAS UNIFORMLY GOOD.MILITARY SALES AND THEIR SPINOFFS WERE CLOSELY WATCHED AND COORDINATED WITH POL SECTION AND ARMISH/MAAG.

7. TRADE CENTER OPERATIONS MET ALL TARGETS. REUIRE-MENT OF 20 NEW NEW-TO-MARKET/NEW-TO-EXPORT (NTM/NTE)
PENETRATIONS MET. FIRST TC SHOW, MEDEX '73 GENERATED 13 NTM/NTE
WHILE OFFICE EQUIPMENT SHOW PRODUCED EIGHT. MORE COULD HAVE
BEEN ACHIEVED BUT TWO SCHEDULED JEEP (JOINT EXPORT
EXPANSION PROGRAM) SHOWS WERE CANCELLED.

8. TRADE CENTER CONTRACT RESEARCHER CONDUCTED FOUR MARKET STUDIES: EDUCATIONAL TRAINING AIDS, BUILDING MATERIALS, SECURITY DEVICES, TRAFFIC AND TRANSPORTATION EQUIPENT. ADDITIONALLY AUTOMOTIVE DIAGNOSTIC STUDY COMPLETED BY TDY MRO FROM WASHINGTON.

9. ON INITIATIVE USS, OFFICE EQUIPMENT SHOW VIDEOTAPED WITH FARSI AND ENGLISH COMMENTARY. TAPE THEN TAKEN TO PROVINCES ACCOMPANIED BY USIS, TC, CONSULATES' PERSONNEL AND SOME SEVEN EXHIBITORS. RECORDING (VFR) SHOWN AT BUSINESS RECEPTIONS AND EXERCISE HIGHLY SUCCESSFUL WITH ADDITIONAL UNCLASSIFIED

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SALES AMOUNTING TO SOME \$1 MILLION.

10. EMBASSY HOSTED AND MADE ALL ARRANGEMENTS FOR IOGA MACHINE TOOL TRADE MISSION IN FEBRUARY 1974. WITH COOPERATION TC AND USIS, MISSION HIGHLY SUCCESSFULWITH IMMEDIATE SALES OVER \$1 MILLION AND PROJECTIONS OVER NEXT FOUR YEARS ESTIMATED \$100 MILLION. FOLLOW-UP ACTIVITY FROM US EXTRAORDINARILY GOOD WITH TWO COMPANIES CURRENTLY ARRANGING OPENING REPRESENTATIVE OFFICES IN TEHRAN, SOME SIX SUBSEQUENT VISITS BY US MACHINE TOOL BUILDERS AND ONE WELL KNOWN SPECIALIST CONSIDERING MOVING TO IRAN TO SET UP CONSULTING FIRM.

11. ARRANGEMENTS FOR PARTICIPATION IN TEHRAN INTERNATIONAL TRADE FAIR PROCEEDING APACE WITH COMMLATT,

AGATT, USIS AND TC DIRECTOR ACTIVELY PARTICIPATING.
POTENTIAL EXHIBITORS ENTHUSIASTIC AND POST FORESEES
NO MAJOR DIFFICULTY AT THIS TIME INSOFAR AS RECRUITMENT
AND ORGANIZATION REASONABLY SIZED SHOW. USIS PLANNING
CONCOMITANT CULTURAL AND ACADEMIC ACTIVITIES TO REFLECT
GENERAL AGRICUSINESS/WILD WEST THEME OF SHOW.

12. HOPE FY '75 CCP WILL BE APPROVED AND READY FOR IMPLEMENTATION AT EARLY DATE IN NEW FISCAL YEAR. HELMS

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